

The opinion in support of the decision being entered today was **not** written for publication and is **not** binding precedent of the Board.

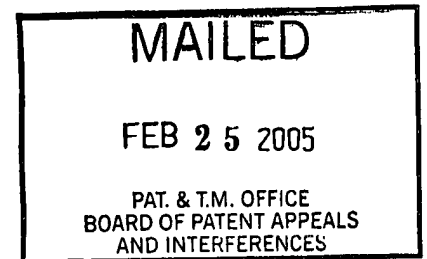
UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

*Ex parte* JOSEPH E. NELSON and KEVIN M. DARCEY

Appeal No. 2004-2265  
Application No. 09/517,419

ON BRIEF



Before BARRY, BLANKENSHIP, and MACDONALD, *Administrative Patent Judges*.

MACDONALD, *Administrative Patent Judge*.

**DECISION ON APPEAL**

This is a decision on appeal from the final rejection of claims 1-2, 4-12, and 16-22. Claims 3 and 13-15 have been canceled.

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### *Invention*

Appellants' invention relates to a web-based credit correction service that is offered to borrowers. The borrower is given the option of disputing any credit references noted on a credit report. A series of options are presented to the borrower. Those options are to dispute a particular item of credit, or to leave that particular credit item alone. If the user decides to dispute the item of credit, the user clicks an appropriate option and advises the credit correction subsystem of the borrower's intent to dispute the credit item. Thereafter, a new series of screens is presented to the borrower to dispute the particular account. The dispute account screen allows the users to select a series a of predetermined options such as "not my account," "never paid late," "paid in full," or other options. In addition, the user can simply present a challenge to the credit bureau to prove that the information is accurate or complete. Appellants' specification at page 6, line 19, through page 7, line 6.

Claim 1 is representative of the claimed invention and is reproduced as follows:

1. A method for loan application and credit correction comprising:

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assembling and scanning supporting documents from a borrower for a loan to create an electronic copy of the supporting documents;

completing an electronic loan application form on a loan application terminal, the loan application terminal connected to a loan application server;

requesting a credit report via the loan application terminal;

receiving the credit report comprising credit references and parsing the credit references in a user-configurable manner;

creating a loan package comprising the electronic loan form, the credit report, and the electronic copy of the supporting documents; and

submitting the loan package electronically to a plurality of lenders;

further comprising:

the borrower deciding to dispute a credit reference;

the borrower designating electronically those credit references to be disputed;

the borrower designating to the loan application server electronically the reason for disputing the credit reference; and

the loan application server automatically generating a dispute communication relating to the credit reference.

#### ***References***

The references relied on by the Examiner are as follows:

Dykstra et al. (Dykstra)	5,611,052	Mar. 11, 1997
Tengel et al. (Tengel)	5,940,812	Aug. 17, 1999

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Mennie et al.                      2003/0081824 A1                      May 1, 2003  
(Mennie)

Novastar Financial Inc., (Novastar), "Novastar Financial Inc. Announces On-Line, Automated Loan Origination And Approval As Fannie Mae Seller/Servicer," NYSE: NFI, June 16, 1999.

IQue, Inc., (IQue), "SMART.ALX Software for the Credit Information Industry," <http://www.ique.com/software.htm>, (1998).

### ***Rejections At Issue***

Claims 1, 2, and 4 stand rejected under 35 U.S.C. § 103 as being obvious over the combination of Novastar and Mennie et al. (hereinafter Mennie) and IQue.

Claims 5 and 20 stand rejected under 35 U.S.C. § 103 as being obvious over the combination of Tengel et al. (hereinafter Tengel) and IQue and Dykstra et al. (hereinafter Dykstra) and Novastar.

Claims 6-12 stand rejected under 35 U.S.C. § 103 as being obvious over the combination of Novastar and Dykstra.

Claims 16-19 stand rejected under 35 U.S.C. § 103 as being obvious over the combination of Tengel and Dykstra and IQue and Novastar.

Claims 21-22 stand rejected under 35 U.S.C. § 103 as being obvious over the combination of Tengel and Novastar.

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Throughout our opinion, we make references to the Appellants' briefs, and to the Examiner's Answer for the respective details thereof.<sup>1</sup>

#### **OPINION**

With full consideration being given to the subject matter on appeal, the Examiner's rejections and the arguments of the Appellants and the Examiner, for the reasons stated *infra*, we reverse the Examiner's rejection of claims 1-2, 4-12, and 16-22 under 35 U.S.C. § 103.

**I. *Whether the Rejection of Claims 1-2, 4-12, and 16-22 Under 35 U.S.C. § 103 is proper?***

It is our view, after consideration of the record before us, that the evidence relied upon and the level of skill in the particular art would not have suggested to one of ordinary skill in the art the invention as set forth in claims 1-2, 4-12, and 16-22. Accordingly, we reverse. We discuss claim 1 as exemplary of claims 1-2, 4-12, and 16-22.

In rejecting claims under 35 U.S.C. § 103, the Examiner bears the initial burden of establishing a *prima facie* case of obviousness. *In re Oetiker*, 977 F.2d 1443, 1445, 24 USPQ2d 1443,

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<sup>1</sup> Appellants filed a supplemental appeal brief on January 15, 2004, replacing sections VI and VIII-IX of the appeal brief filed on May 27, 2003. Appellants filed a reply brief on May 10, 2004. The Examiner mailed an Examiner's Answer on March 9, 2004.

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1444 (Fed. Cir. 1992). *See also In re Piasecki*, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984). The Examiner can satisfy this burden by showing that some objective teaching in the prior art or knowledge generally available to one of ordinary skill in the art suggests the claimed subject matter. *In re Fine*, 837 F.2d 1071, 1074, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). Only if this initial burden is met does the burden of coming forward with evidence or argument shift to the Appellants. *Oetiker*, 977 F.2d at 1445, 24 USPQ2d at 1444. *See also Piasecki*, 745 F.2d at 1472, 223 USPQ at 788.

An obviousness analysis commences with a review and consideration of all the pertinent evidence and arguments. "In reviewing the [E]xaminer's decision on appeal, the Board must necessarily weigh all of the evidence and argument." *Oetiker*, 977 F.2d at 1445, 24 USPQ2d at 1444. "[T]he Board must not only assure that the requisite findings are made, based on evidence of record, but must also explain the reasoning by which the findings are deemed to support the agency's conclusion." *In re Lee*, 277 F.3d 1338, 1344, 61 USPQ2d 1430, 1434 (Fed. Cir. 2002).

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With respect to independent claim 1, Appellants argue at page 8 of the supplemental brief:

None of the cited references teaches either "assembling and scanning *supporting documents from a borrower* for a loan to create an electronic copy of the supporting documents" or "*the borrower deciding to dispute a credit reference; the borrower designating electronically . . . ; the borrower designating to the loan application server electronically . . . ; the loan application server automatically generating . . .*" as presently claimed by claim 1.

With respect to the "assembling and scanning" steps, the Examiner responds at pages 17-18 of the answer, "Mennie cites the scanning of every kind of document in any format, including the scanning of supporting documents for a loan application (Mennie - Para. [0103], parti. Lines 5, 6, 10, 25-31)." We find the Examiner's position persuasive only as to the step of "scanning" as the cited section of the Mennie reference is silent as to assembling plural scanned documents. Therefore, Appellants' overall argument on this point is persuasive.

With respect to the "deciding, designating, designating and generating" steps, the Examiner responds at page 14 of the answer:

Novastar inherently teaches the borrower making decisions regarding the dispute of credit references. Also inherent to

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Novastar's teaching is the borrower's directing the references which are to be disputed. Both of these inherencies are based on the important realization that only a borrower can play this role because only the borrower has the information needed to make such decisions and give such direction.

We do not agree with the Examiner. "To establish inherency, the extrinsic evidence must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient." *In re Robertson*, 169 F.3d 743, 745, 49 USPQ2d 1949 (Fed. Cir. 1999) (internal citations omitted).

The Novastar reference teaches, "Users [in the form of retail mortgage brokers, mortgage companies and financial institutions] will also have the ability to correct inaccuracies appearing on the credit report." We find that there are many processes by which such corrections may be accomplished and many types of inaccuracies that may need to be corrected. We see nothing in the Novastar reference that requires the correction process to inherently comprise the "deciding, designating,



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designating and generating" steps of claim 1. Although these steps are automated versions of the manual steps required by the Federal Trade Commission for a borrower to dispute a credit report error, see publication "How to Dispute Credit Report Errors," Federal Trade Commission, March 1999, (attached) such steps are not required for mortgage brokers, mortgage companies, or financial institutions to correct credit report inaccuracies.

We find that the Examiner has not met his initial burden of establishing a *prima facie* case of obviousness, and we will not sustain the Examiner's rejection under 35 U.S.C. § 103.


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## Conclusion

In view of the foregoing discussion, we have not sustained the rejection under 35 U.S.C. § 103 of claims 1-2, 4-12, and 16-22.

**REVERSED**

~~LANCE LEONARD BARRY~~  
~~Administrative Patent Judge~~

  
HOWARD B. BLANKENSHIP  
Administrative Patent Judge

  
ALLEN R. MACDONALD  
Administrative Patent Judge

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